

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5895</b>	<b>5</b>	<b>0.1</b>
<b>NZX 50</b>	8130	Public	Holiday
<b>DJIA Futures</b>	23289	12	0.1
<b>S&amp;P 500 Futures</b>	2576	2	0.1
<b>NASDAQ Futures</b>	6117	6	0.1

## Local Markets Commentary

The Australian market commences a new week's trade on positive US equities and mixed commodities leads from overnight Friday trade.

Since overnight Friday trade, **Japan** appears to have re-elected PM Shinzo Abe with a firm majority.

Saturday, **Spain's** leadership confirmed plans to seek parliamentary approval to disband Catalonia's government.

In overnight Friday commodities trade, US **gold** futures swung lower. **Oil** and **iron ore** (China port, 62% Fe) turned higher. LME **copper** settled lower for a fourth consecutive session.

The **\$A** depreciated below US78.20c after falling to ~US78.40c early Friday evening.

Locally today, a weekly capital city residential property price report is due pre-trade.

A State-by-State economic report from the CBA and leading indicators from the Conference Board are also due today.

Regionally, **China** is due to publish September property prices **12.30pm** AEDST.

**New Zealand's** markets are closed today due to a public holiday.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>23329</b>	166	<b>0.7</b>
<b>S&amp;P 500</b>	2575	13	<b>0.5</b>
<b>NASDAQ</b>	6629	24	<b>0.4</b>
<b>FTSE 100</b>	7523	0.2	<b>0.0</b>
<b>DAX 30</b>	12991	1	<b>0.0</b>
<b>Shanghai Comp</b>	3379	8	<b>0.3</b>

## Overseas Markets Commentary

Major European and US equities markets traded notably different overnight Friday.

Key US indices opened higher and never looked headed, achieving new record peaks. Late-Thursday US time, the US senate had supported the likely progress of proposed tax changes with a FY 2018 budget plan approval.

Friday, the European Union told the UK it would not advance post-UK separation trade talks until it had received a definitive response regarding the UK's plans for paying a separation payment. New, general talks were confirmed for December, however.

Meanwhile, Spain awaited the next pronouncement from the government regarding what it would do about Catalonia's plans for independence.

## Today's Stock Watch

### Telstra Corporation (TLS)

The Australian Competition & Consumer Commission (ACCC) has identified potential regulatory and policy moves that might improve mobile phone coverage and service quality in regional Australia.

The ACCC has decided against declaring mobile roaming, in the interests of encouraging mobile operators to invest in improvements and hence provide greater regional competition.

### Vocus Communications (VOC)

September quarter update presentation lodged this morning, including a proposal to sell its New Zealand business and reduced forecast capex.

Webcast presentation scheduled to commence 10.30am AEDST. AGM tomorrow.

### Suncorp Group (SUN)

\$250M notes offer, in support of Tier 1 capital. Details lodged this morning.

### Cre8tek Ltd (CR8) / AMP Ltd (AMP)

AMP is going live with CR8's cognitive virtual assistant system ROSIE following successful testing.

### Family Zone Cyber Safety (FZO)

Acquiring New Zealand education sector-focused cyber security and safety services specialist Linewize.

Consideration includes a \$NZ20,000 cash deposit plus 9.5M FZO shares and 9.5M FZO performance shares.

## Resources

### Resolute Mining (RSG)

Mali Syama gold mine underground resources have grown to 55.9Mt @ 3.2g/t Au, for 5.7Moz, representing a 39% (1.6Moz) increase. Resources qualifying for indicated status are estimated at 4.7Mt, 42% higher than previously reported.

### Saracen Mineral Holdings (SAR)

Produced a record 80,274oz of gold during the September quarter, at an 11% lower, \$A1008/oz AISC.

Sold 79,799oz at ~\$A1583/oz.

\$60.5M cash and equivalents.

### Grange Resources (\* GRR)

Produced 550,000t of iron pellets during the September quarter, following 184,000t for the June quarter.

Cash operating costs fell to \$A85.04/t, against \$A252.44/t.

Sold 359,000t of pellets, against 318,000t.

Realised \$US105.77/t FOB.

\$A120.34M cash. Details lodged post-trade Friday.

### Oz Minerals (OZL)

Former Rio Tinto (ASX: RIO) copper finance executive Warrick Ranson has been appointed OZL CFO, effective 8 December.

## Energy

### Yancoal Australia (YAL)

Produced 6.09Mt of attributable, saleable coal during the September quarter, 38% more than a year earlier. Sold 7.15Mt, 39% more than for the September quarter 2016.

Yanzhou Coal Mining Co holds 65.46% of YAL. Cinda International HGB Investments holds 16.70%.

Among data releases, **US** September existing home sales surprised on the upside, rising 0.7%.

In the **UK**, the September budget deficit came in at the least for any September over the past 10 years, and 11% lower than a year ago, at ~£5.9B.

Moreover, the headline figure was better-than-anticipated for the third consecutive month.

Across in **Germany**, September producer prices were reported 3.1% higher year-on-year, against 2.6% in August.

**Tonight** in the US, the Chicago Fed national activity and house price indices are each due.

Halliburton and Philips Electronics are scheduled to report earnings.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1281</b>	oz	-9	-0.7
<b>Silver (NY) (Sep)</b>	17.1	oz	-0.2	-1.0
<b>Gold (LON)</b>	1286	oz	6	0.5
<b>Platinum</b>	921	oz	-1	-0.1
<b>WTI Crude (Nov)</b>	<b>51.5</b>	bbl	0.2	0.4
<b>Brent Crude (Nov)</b>	<b>57.8</b>	bbl	0.52	0.9
<b>Iron Ore</b> (CHN port 62%)	<b>62.5</b>	t	1.6	2.6
<b>Copper</b>	<b>6952</b>	t	-15	-0.2
<b>Nickel</b>	11735	t	-5	-0.0
<b>Aluminium</b>	2136	t	-17	-0.8
<b>Lead</b>	2468	t	-2	-0.1
<b>Zinc</b>	3099	t	-15	-0.5
<b>Tin</b>	19575	t	-275	-1.4
<b>CBT Wheat (Dec)</b>	<b>4.26</b>	bshl	-0.07	-1.6

### Commodities Commentary

**Oil** – prices swung overnight Friday as traders continued to take in various shifting scenarios.

Friday, Russia's Rosneft had reportedly agreed to take over control of the pipeline delivering Iraqi Kurdistan oil for exports, and Iraq repeated that it would restore activity by Sunday in two oil fields impacted by Kurdish and Iraqi conflict this month.

Meanwhile, reports estimated daily Kurd exports had fallen through the week by ~400,000bbl from the usual 600,000bbl.

A weekly US petroleum rig count calculated seven fewer oil rigs in operation.

**Gold** – overnight Friday prices were hurt by \$US strength, and US equities remaining in favour, at least in part due to one house of the US parliament passing a FY 2018 budget plan.

Reports viewed as possible influencers this week include outcomes from the European Central Bank's policy meeting (overnight Thursday), and GDP and PMI updates.

**Base metals** – \$US strength proved a major influence on overnight Friday LME trade.

Higher China steel prices and lower September aluminium production also supported *nickel* and *aluminium* trade respectively.

**China's** property prices, due today, could influence some of tonight's trade.

In addition, a swag of manufacturing PMI updates, due from tomorrow, could add caution.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7812	-0.0002	-0.03

## Pre-Open Announcements

### BrainChip Holdings (BRN)

Former Exar Corporation (NYSE: EXAR) CEO Ryan Benton has been appointed BRN CFO.

### Resources

### First Graphite (FGR)

Graphene facility construction remains on schedule and below-budget. Additional update information lodged this morning.

### Alderan Resources (\* AL8)

COO and director Donald Smith has resigned, in favour of other opportunities.

AL8 has appointed consultant Frank 'Bruno' Hegner as an executive director, responsible for US Operations, in particular the Frisco exploration project, Utah.

Former professional positions held by Mr Hegner include MD major copper projects for Rio Tinto (ASX: RIO), and Resolution Copper Company VP/GM.

### Castillo Copper (CCZ)

Heralding the NSW Cangai copper mine site visit, which has highlighted resource upgrade potential. Details lodged this morning.

### Jacka Resources (JKA)

Holding \$758,000 in cash and listed securities as at 30 September.

## Energy

### Oil Search (\* OSH)

Director Keith Spence has resigned, effective Friday 20 October. OSH is looking to appoint another director.

### Trading Halts

Company	Code	Resuming
eSense-Lab Ltd	ESE	23 Oct
Estrella Resources	ESR	23 Oct
Arafura Resources	ARU	24 Oct
BWX Ltd	BWX	24 Oct
Elysium Resources	EYM	24 Oct
eServGlobal Ltd	SEV	24 Oct
Hannans Ltd	HNR	24 Oct
MedAdvisor Ltd	MDR	24 Oct
NTM Gold	NTM	24 Oct
Soon Mining	SMG	25 Oct

### Suspensions (selected)

Company	Code	Since
Arrowhead Resources	AR1	9 Oct
CFOAM Ltd	CFO	20 Oct
Cudeco Ltd	CDU	28 Sep
Haoma Mining	HAO	18 Oct
Kinetiko Energy	KKO	5 Oct
Lantern Hotel Group	LTN	2 Oct
Neurotech International	NTI	13 Oct
SIV Asset Management	SAM	10 Oct
SmartTrans Holdings	SMA	18 Oct
Stargroup Ltd	STL	19 Oct
UltraCharge Ltd	UTR	18 Oct
XPD Soccer Gear Group	XPD	11 Oct



EUR – USD 1.1770 0.0010 0.08

**Australian Data Today**

CLgc	Capital city residential prop prices	21Oct
CSec	State of the States	Oct
ConfB	Leading indicators	Sep

**US Data Tonight**

Chicago Fed national activity index	Sep
Case-Shiller house prices	Aug

**Other Overseas Data Today & Tonight**

<b>China</b>	Property prices	Sep
<b>UK</b>	CBI trends; optimism	Oct
<b>Euro zone</b>	Consumer confidence	Oct

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>NAC</b>	Today	<b>2.5</b>	100	4.78
<b>NHC</b>	Today	<b>6</b>	100	4.90
<b>SNC</b>	Today	<b>3.5</b>	100	6.67
MAI	Tomorrow	0.75	100	2.50
REX	Tomorrow	10	100	5.99
AKG	Wed	0.5	100	1.49
RIC	Wed	2.75	100	3.02
TRA	Thu	~2.32	100	0.00
CLV	Fri	0.75	100	2.00
PMV	Fri	27	100	4.04

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>ARG</b>	AGM
	<b>AGO</b>	AGM
	<b>EPW</b>	AGM
	<b>SAR</b>	Sep Q
	<b>SUL</b>	AGM
<b>Tomorrow</b>	BGA	AGM
	CTD	AGM
	DXS	AGM
	MMS	AGM
	MGR	Sep Q
	SGF	AGM
	SRX	AGM
	SXL	AGM
	VOC	AGM
<b>Wed</b>	CIM	Sep Q
	FBU	AGM
	GXL	AGM
	IGO	Sep Q
	QAN	Sep Q
	SXY	AGM
	SGP	AGM
	TGR	AGM
	WES	Sep Q
	WHC	AGM
<b>Thu</b>	ANZ	Full-year
	BKL	AGM
	CWN	AGM
	FMG	Sep Q
	GUD	AGM
	JBH	AGM
	NCM	Sep Q
	NCK	AGM
	OGC	Sep Q
	REH	AGM
	SGR	AGM
	SDF	AGM
	TTS	AGM
<b>Fri</b>	AMP	Sep Q
	APA	AGM



Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

ASB	AGM
CAR	AGM
GWA	AGM
JHC	AGM
MQG	Interim
QAN	AGM
REG	AGM
RMD	Sep Q
TAH	AGM
WOR	AGM